

97-84235-11

Russian-American
Commercial...

Charter of the
Russian-American...

[S.I.]

[1915]

97-84235-11

MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

OCLC: 37817972 Rec stat: n
 Entered: 19971021 Replaced: 19971021 Used: 19971021
 - Type: a ELvl: K Srce: d Audn: Ctrl: Lang: eng
 BLvl: m Form: a Conf: 0 Biog: MRec: Ctry: xx
 Cont: GPub: f Fict: 0 Indx: 0
 Desc: a Ills: Fest: 0 DtSt: s Dates: 1915, +
 - 1 040 PR1 v c PR1 +
 - 2 007 h v b d v d a v e f v f a--- v g b v h a v i c v j p +
 - 3 007 h v b d v d a v e f v f a--- v g b v h a v i a v j p +
 - 4 007 h v b d v d a v e f v f a--- v g b v h a v i b v j p +
 - 5 049 PR1A +
 - 6 110 2 Russian-American Commercial and Industrial Joint Stock Company
 "Rato". +
 - 7 245 10 Charter of the Russian-American Commercial and Industrial Joint
 Stock Company "Rato" v h [microform]. +
 - 8 260 [S.l. : v b s.n., v c 1915] +
 - 9 300 30 p. ; v c 23 cm. +
 - 10 533 Microfilm. v b New York, N.Y. : v c Columbia University Libraries,
 v d to be filmed in 1997. v e 1 microfilm reel ; 35 mm. +

RESTRICTIONS ON USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35mmREDUCTION RATIO: 11:1IMAGE PLACEMENT: IA IIA IB IIBDATE FILMED: 11-6-97INITIALS: PBTRACKING #: 29242

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

CHARTER
OF THE
Russian - American Commercial
and Industrial Joint Stock
Company "Rato"

308

Z

BOX

415

57505D

THE MINISTRY OF COMMERCE AND INDUSTRY,
DEPARTMENT OF COMMERCE,
SUBDIVISION 6, SEC. 4.
December 12, 1915.
No. 18054

To Prince N. A. Volkonsky and A. V. Behr,
founders and organizers of the Russian-
American Joint Stock Company "Rato."

GENTLEMEN:

H. I. M. THE EMPEROR, on the recommendation of
the Council of Ministers, has ordered to permit you to
organize a stock company under the name of Russian-
American Joint Stock Company "Rato."

The Department of Commerce, apprising you of
this fact, wishes to add that it has duly notified the
Senate of the Empire of the said Imperial Order, and
that the original Ustav has been transmitted to it for
publication.

Director of the Department,
(Signed) V. SYBILEV.

APW
AUG 7 1959

On the original is written: THE CZAR examined this Charter
and graciously confirmed same, at Tsarskoe Selo, on the 5th
day of December, 1915.

Signed: Director of the Affairs of the Council of Ministers,
I. LADIJINSKI.
for the Chief of the Department.
True: (Sgnd) A. BOMANENKOFF.

CHARTER OF "THE RUSSIAN-AMERICAN COMMER-
CIAL AND INDUSTRIAL JOINT STOCK
COMPANY 'RATO' "

THE AIMS, OBJECTS, RIGHTS AND OBLIGATIONS OF THE COMPANY

§ 1. A Company, styled "The Russian-American Commer-
cial and Industrial Joint Stock Company 'Rato'," has for its
object the following purposes:

- 1). Acquiring, exploiting, alienating and delegating of vari-
ous privileges and concessions granted by the Government and
Municipalities or other Institutions.
- 2). The acquisition, construction and exploitation of factor-
ies, works of all kinds and other industrial enterprises for the
extraction and production of different materials and goods, as
well as the construction and exploitation of electro-chemical and
electro-metallurgical factories and works.
- 3). Organization of explorations and investigations within
the territory of European Russia and the Caucasus, for the
purpose of discovering ore and mineral-bearing lands, including oil;
mining and refining of various kinds of ores and trading in
them; organization of industrial and commercial undertakings,
required for the above mentioned objects and exploitation of the
said ore and oil-bearing lands and undertakings.
- 4). Organization of all kinds of works in connection with
the construction and preliminary surveys of surface and under-
ground railways, both for private and public use, railway lines
and all other means of carrying passengers and conveying

goods, as well as lines for tramways, and other cars, driven by horse, steam, electricity and any other power; construction of all kinds of tramways and buildings for different metallurgical and electro-technical and also mechanical factories and works, for the production of machines, engines and materials, required for the said constructions and their exploitation; exploitation of said tramways and factories and works.

5). Construction of electric and gas lighting plants, exploitation, as well as the undertaking of exploitation of lighting for public and private uses; production and distribution of motive power, and construction of railroad signalization systems.

Note 1. The founders of the Company are: Prince Nicholas Alexandrovich Volkonski and hereditary honorary citizen, Alexander Wladimirovitch Behr.

Note 2. The founders are not allowed to transfer their rights and obligations pertaining to the company to other persons, to include new persons nor exclude any one of the founders except with the permission of the Minister of Commerce and Industry.

§ 2. In conformity to the objects of the establishment, the Company is accorded the right, duly observing the existing laws, resolutions and rights of private persons, to undertake all kinds of investigations and searchings of useful minerals, and to receive claims on territories claimed, to receive same for explorations and working up, to acquire in freehold or by right of lease mineral mines, as well as oil-bearing land; to build and take on lease mines, factories, works and workshops, and also other industrial and commercial enterprises; cisterns for stocking petroleum products, piers and other constructions necessary for the requirements of the Company, acquiring for said purposes personal or real property, with the exception of vessels; to perform all kinds of industrial and trading operations; to open offices and agencies and to participate in similar undertakings by the purchase of stock, shares and bonds, by ordinary deposit of funds, without the purchase of stock, shares and bonds, or by joint exploitation of such enterprises, according to special agreement.

Note 1. The acquisition by the Company on whatsoever

grounds of oil-bearing land in the provinces and districts of Caucasus, protected by the laws enumerated in Note 1, § 740, Code of Mining statutes (Code of Laws, Vol. VII, edit. 1912), and also searchings and (investigations, obtaining, as well as receipt of) claims for the exploitation of oil fields in said regions, are not allowed, except with the permission of the Minister of Commerce and Industry, in conjunction with the Ministers of the Interior, Finance and the Viceroy of His Imperial Majesty of the Caucasus. As to the acquisition of oil-bearing land in localities of a non-military character in the provinces of Ter and Kuban, permission for same must be granted by the Minister of War, in addition to the permission given by the above mentioned Ministers. The acquisition of oil-bearing lands by the Company in the districts of Kuban and Ter, as well as searchings and investigations, and also obtaining claims for the production of oil, are not allowed except with the permission of the War Minister, in agreement with the Ministers of the Interior, Finance and Commerce and Industry, in which case, the laws of the Mining Statutes, concerning the production of oil, must be strictly complied with.

Note 2. The Company is accorded the right to acquire as property or for temporary ownership and use, for the requirements of the enterprise, within the limits of European Russia, outside of city settlement, with the exception of the Region of the Don-Cossacks, the By-Vistula provinces, the province of Kholm and localities in the province of Estland, mentioned in App. III to Art. 830, Note 2, Volume IX, Code of Laws of 1912, sections of land of such dimensions that the area of all the mentioned sections, acquired by the Company as property or for temporary ownership and use, should not exceed as a whole 3,000 desiatinas; the further acquisition of land by the Company as property or for temporary ownership and use of real estate in localities where such acquisition is forbidden by law to foreigners and to persons of the Jewish faith, with the exception of the real estate mentioned in Note 1 of this paragraph, in the localities therein indicated, is prohibited.

Note 3. The area of the sections of land acquired by the Company as property in the 9 Western provinces outside of cities (App. to Article 698, Note 2, Civil Laws, Volume X, Part 1, Code of Laws of 1914) should not exceed more than 200 desiatinas.

Note 4. The acquisition and exploitation of water-power rights by the Company, also the acquisition, organization and operation of enterprises for the production of beet-sugar and distilleries, and enterprises for the storage of goods with the

power to issue storage certificates and mortgages, or receipts, are not permitted.

§ 3. The Company may undertake the organization and exploitation of public utilities, such as light and power, only in the event of having made preliminary contracts with the Municipalities of the locality and Zemstvos, and same being duly confirmed in the proper manner, or, by special permission granted, in each individual case, by the proper authorities.

§ 4. The Company is subject to all laws, rules and regulations, both those now in force and also those which may in the future be promulgated, as relating to the object of its activity and the terms of its termination in general, and to the use of waterways, towage paths and piers, and also to the exploration, building and operation of railroads in particular.

In regard to the Company's engaging in the mining industry (the extraction of oil included), the Company is subject to all laws, regulations and interpretations pertaining to the mining industry, both those now in force, as well as those that may in the future be issued.

With regard to the arrangements for the protection of the telegraph wires and telephone lines of public use from the dangerous effect of the use of strong current, the Company is subject to all the orders mentioned in the Decree of the Ministry of the Interior, dated September 29th, 1904, under No. 1236, as well as those orders which may be issued regarding this matter by instructions from the Government.

The operation of the railway rolling stock belonging to the Company is permitted only by a preliminary agreement to this effect with the management of the railroad, confirmed by the Ministry of Ways and Communication and the Ministry of Finance, in strict accordance with the technical conditions on this subject established by the Ministry of Communication.

§ 5. The Company shall, by order of the Minister of Ways and Communication, instruct their Agents, that are situated near the shores of lakes and rivers, to supervise the flood marks of the waters, in accordance with the rules issued by the Minister of Ways and Communication, and to report the results to the above Ministry.

The Company shall appoint only Russian subjects to perform the duties in offices situated near the shore. In places where the clerks come in contact with the public, the Company shall appoint persons that are fully conversant with the Russian language.

In the event of cases where the instructions and actions of any one of the Managers or Agents of the Company, in connection with the use of waterways, towage paths or piers, appear to be detrimental to the interests of the Government, the Board of the Company shall, by order of the Minister of Ways and Communication, immediately remove the causes, and should same continue, discharge the people who are responsible for it. Any damages of property that may occur on account of the improper actions of the Board, Agents or clerks of the Company shall be settled by the latter personally, and after having satisfied the claims of the Government or private interests, the Company may sue the persons that are responsible for said action, duly observing the laws. Should the Minister of Ways and Communication find reason to demand the dismissal of any one of the clerks of the Company, said orders shall be immediately carried out without fail.

§ 6. The Company, its officers and Agents are subject, as regards the payment of the State Industrial Tax, customs duty and other general and local taxes, to all general regulations on this subject, referring to the activity of the Company, both those now in force as well as those which may hereafter be promulgated.

§ 7. Advertisements by the Company, in all cases as required by law and by this Charter, with the exception of those specially indicated, are to be inserted in "Pravitelstvenni Vestnik," "Vestnik, Finansov, Promyshlennosti i Torgovli," "Vestnik Putei Soobshcheni," "Petrogradskia Vedomosti," "Moscovskia Vedomosti," newspaper "Kavkaz" and "Vedomosti Moscovseavo Gradonachalstva i Stolichnoi Politzii," according to the established regulations.

§ 8. The Company is to have a seal, bearing its corporate name (§ 1).

CAPITAL STOCK OF THE COMPANY, SHARES, RIGHTS AND
LIABILITIES OF THE STOCKHOLDERS

§ 9. The capital stock of the Company is fixed at 1,000,000 rubles, divided into 10,000 shares of 100 rubles each.

All the above mentioned shares are distributed between the Founders of the Company and the persons invited by them to participate in the Company by mutual agreement.

Not later than six months after the publication of this Charter 30% of the nominal value of the shares must be paid up, with proper entries made in special books, and receipts signed by the founders of the Company, shall be issued against the sums paid in, and eventually, but in any case not later than within three months after the Company has started operations, registered temporary certificates shall be issued. The sums paid in for shares shall be deposited by the founders of the Company in the States Bank, where they shall remain until called for by the Board of the Company. After having presented to the Minister of Commerce and Industry a certificate attesting the receipt of the said sums by the States Bank, the Company shall start its operations. In case the payments indicated above are not effected within the limited time, the Company shall disband, and the amounts paid in shall be returned by the founders to the persons to whom they belong. The dates and order in which the payments of the remaining 70% are to be paid are determined at the General Meeting of the stockholders, on condition, however, that the full payments on each share (100 rubles) be effected within the course of 2 years from the day of the opening of the operations of the Company. In case these terms are not fulfilled the Company shall liquidate its affairs. The dates and sums of the payments are to be published at least three months in advance of the appointed dates. The payments on the shares are marked on the temporary certificates, which, when the last payments have been effected, are exchanged for the shares. The owners of the first mentioned receipts signed by the founders of the Company, and the holders of the temporary receipts or certificates are entitled to all rights and liabilities of the stockholders. The books in which the sums paid in for

the shares are recorded, are kept, in observance with the rules stated in § 4-10 art. 2166, vol. X, part 1 of Code of Laws published in 1914, and are produced at the Town Council of Moscow for the signing and affixing of the seal.

In the event of any one of the holders of temporary certificates not paying the amounts due from him on the dates appointed therefor, he shall be allowed one month's grace for the payment of the amount due, plus 1% interest per month on the sum payable. Should, however, the said amounts be left unpaid, his certificates shall be annulled, and the fact published in the papers, and new certificates bearing the same numbers shall be issued in exchange for them and sold by the Board of the Company. From the sums received in payment of such certificates the amount due on the annulled certificates, with interest for the delay and the costs of the sale and publications, shall be deducted and the balance delivered to the owner of the annulled certificates.

Not less than one-third of the temporary certificates or shares acquired by the founders of the Company shall be delivered by the Board of the Council to the State Bank for deposit. Such temporary certificates or shares cannot be assigned to third persons before the confirmation of the balance sheet of the first operating period, as per regulations specially issued therefor, and the said period shall be not less than 12 months (§ 36).

The fact that the Company has been organized, or that it has failed to organize, is to be announced in the first case by the Board of Directors, and in the second case by the founders of the said Company, the Ministers of Commerce and Industry, of the Interior, of Means of Communication and of War, and same is to be published for general information.

§ 10. When the original shares are fully paid up, the Company may increase its capital stock by means of additional issues of shares of the same nominal value as the shares originally issued, but not otherwise than by a resolution of a General Meeting of stockholders and in each case by the special permission of the Government.

Note 1. For each share of a new issue the purchaser is to pay, over and above the nominal value, a certain premium equal, at least, to the share of Reserve Capital of the Company according to the last balance sheet on shares of former issues, and the premiums thus obtained are to be applied for the increase of the said Reserve Capital.

Note 2. Any increase of the capital stock to a total amount not exceeding the original issue (1,000,000 rubles) is to be effected by permission of the Minister of Commerce and Industry.

§ 11. In the event of new issues of shares, the holders of shares of the Company of former issues shall have the preferential right of acquiring them, in accordance with the number of shares they possess; if shares of a new issue are not taken up in full by the holders of shares of former issues, then, with the permission of the Minister of Commerce and Industry and on conditions to be previously confirmed by him, a public subscription may be opened for disposing of such shares.

§ 12. The shares of the Company may be, according to the wish of the holders, either in the name of the owner or bearer. On the registered shares must be given the title, name and surname (Firm) of the holder. The shares are to be detached from a book, numbered consecutively and signed by three members of the Board, the bookkeeper and cashier, with the seal of the Company affixed.

§ 13. To each share is attached a coupon sheet for the receipt of dividends for the period of ten years; on these coupons the numbers of the shares are to be given and their years in consecutive order. At the expiration of ten years new coupon sheets are to be issued to the stockholders in the same manner for the following ten years and so forth.

§ 14. The shares of the Company, obligations (§ 19) and the coupon sheets must be printed by the State Printing Department.

§ 15. The transfer of temporary certificates and registered shares from one person to another is effected by means of an endorsement on the certificate and shares which, together with

a suitable notice, must be submitted to the Board of the Company in order that a record may be made of this transfer in the books. The Board itself makes transfer endorsements on shares only in cases as foreseen in Art. 2167, Vol. X, Part I, of the Code of Laws, 1914 edit., or by order of the court. Entries in the books regarding the transfer of shares must be made by the Board not later than within three days from the date of presentation to the Board of the shares to be transferred, and in cases when the endorsements are made by the Board itself, upon submission of the necessary documents certifying as to the transfer of the shares. Transfer from one person to another of shares to bearer is to be effected without any formalities, and the owner of shares to bearer is always acknowledged to be the person in whose hands they prove to be. The temporary certificate, which fails to state on its face the amount of the payment which according to § 9 is overdue, can not be transferred to another person; and any transaction of that nature will be void. This condition must be stated on the certificate.

§ 16. The Company, with regard to quotation of the shares and bonds on the Stock Exchange, is to comply with all laws, regulations and instructions on this subject, both those existing as well as those which may hereafter be enacted.

§ 17. The coupons must not be transferred separately from the shares, with the exception of overdue or due coupons. In the event of the transfer of the said coupons no transfer endorsements are necessary on the coupons or notices regarding their transfer.

§ 18. A stockholder losing temporary certificates, registered shares or coupons belonging to the same, with the exception of overdue or due coupons, must notify the Board regarding such loss in writing, stating the numbers of the certificates, shares or coupons lost. The Board is to advertise for his account. If after the expiration of six months from the date of advertising no news should be forthcoming regarding the certificates, shares or coupons lost, then new certificates, shares or coupons are to be issued, under the former numbers and bearing an endorse-

ment that they have been issued in exchange for those which have been lost. Regarding the loss of overdue or due coupons for registered shares, shares to bearer and coupons to the latter, the Board does not accept any notices, and the loser of the said coupons loses the right to receive the dividend on them. Upon the issue of new coupon sheets for shares to bearer, the same are to be issued to the owners of shares to bearer.

§ 19. In the event of the death of the owner of temporary certificates or shares, over whose estate a Trusteeship should be appointed, the Trustee, as such, shall have no special rights in the affairs of the Company, and is subject to the general regulations of this charter, equally with other holders of temporary certificates and shares.

THE BOARD OF THE COMPANY—ITS RIGHTS AND LIABILITIES

§ 20. The Board of the Company is to consist of not less than three (3) and not more than seven (7) Directors elected at a general meeting of the stockholders. The dates for the election of Directors are determined by § 23. The main offices of the Company are to be located in the City of Moscow.

Note 1. The majority of the members of the Board of Directors and the majority of the candidates—but when there are only two candidates—one of them (§ 21) must be Russian subjects, not belonging to the Jewish Faith. A candidate, who is a foreign subject or of Jewish faith, can only substitute a Director who is also a foreign subject or of Jewish faith. Persons of Jewish faith, not having the right of permanent residency in Moscow cannot be Directors or candidates for said office. In case the Company extends its operations in searching, extracting and working of oils in the districts of Ter and Kuban, persons belonging to the Jewish faith, no matter whose subjects they are, are not allowed to be Directors or candidates of the Company. The managing directors (§ 27) in charge of the business in the mining industry (oil included), and the directors and managers of the real estate of the Company must be Russian subjects, of non-Jewish faith.

Note 2. Subjects of the powers at war with Russia cannot take any part in directing or managing the business of the Company, nor its separate enterprises and property, and they are to be debarred in particular from occupying positions as members of the Board of Directors, candidates for same, general agents, agents, attorneys, directors and managers of separate enterprises of the Company, wherever they are located. Subjects of those countries cannot occupy positions as mechanics, clerks, and be employees of the Company in general. Absolute exclusion of subjects of the countries at war with Russia from any participation in the management of the business of the Company, as well as service in same, applies in its full extent to subjects of countries which enter into war with Russia even after said persons have been in the employ of the Company.

§ 21. For the purpose of replacing Directors, who may retire prior to the expiration of the term for which they were elected, or who are temporarily prevented from fulfilling their duties, the General Meeting of stockholders elects from one to three candidates. The dates for the election of the candidates are determined by § 23. The candidates assume the fulfillment of Directors' duties in accordance with the seniority to their election, in the event of seniority being equal—in accordance with the majority of votes received by them at the time of election; and in the event of their being elected by an equal number of votes—then by lot according to Note 1 § 20. The candidate, replacing the retired Director, fulfills his duties until the expiration of the period for which the retired Director was elected, but in no case beyond the period for which the candidate himself was elected. Candidates enjoy during the period they fulfill the duties of Directors all the rights appertaining to Directors.

§ 22. As Directors and candidates there shall be elected persons possessing in their own name not less than 50 shares, which are to be kept in the possession of the Company or the State Bank during the whole period the persons elected occupy the said positions, and may not be transferred to any one prior to confirmation of the Accounts and Balance Sheet for the last year, during which the holders of the shares acted as Directors

or candidates. To the General Meeting is accorded the right to elect persons to the aforesaid offices in their discretion, whether or not they possess the requisite number of shares, provided, however, the person elected should, upon being elected to the post, acquire in his own name, within the course of one month, the number of shares as fixed above.

§ 23. At the expiration of one year from the first election of Directors and candidates, each year, during the first two years Directors and candidates shall retire by lot, not exceeding, however, in number more than one-third of the Board. On the third year the remaining Directors shall retire. In the following years the Directors will retire every year in the same order according to the seniority of their election. The candidates will retire one every year; first by lot and then according to seniority of their nomination. In place of the retired Directors and candidates new candidates and Directors are elected. The retired Directors and candidates may be elected again.

§ 24. After the first meeting convened by the founders, and hereafter annually after the annual general meeting, the Directors shall elect from among their number a Chairman and a Vice-Chairman.

§ 25. Members of the Board may receive in addition to a percentage remuneration (§ 41) from the net profits a fixed salary as may be determined by the General Meeting of stockholders and to the extent as fixed by them.

§ 26. The Board shall manage all the business and capital of the Company in the manner of a well conducted business house. Its duties shall consist of: a) the receipt of money for the shares of the Company and the issue of temporary certificates, and after the full payment of said certificates—the issue of shares; b) the organization, in proper commercial manner, of the bookkeeping, cash and correspondence, also the compilation, in accordance with §§ 36 to 38, of the report, balance sheet, estimate and plan of operations; c) engagement of the necessary staff for the service of the Company, fixing their occupation and extent of their remuneration,

and also their discharge; d) purchase and sale of personal property, both for cash and on credit; e) the hire of warehouses, lodgings and other premises; f) insurance of the property of the Company; g) issue and receipt of payment of bills of exchange and other term obligations, within the limits fixed by the General Meeting; h) discount of bills of exchange in the name of the Company; i) contracting in the name of the Company of agreements and contracts both with Government offices and departments and with private companies and firms, and also with municipal, communal and corporate bodies and with private persons; j) furnishing powers of attorney to persons appointed by the Board to the Company's service, not excepting also those who shall be appointed to such service by the General Meeting; k) execution of legal deeds for the acquisition, disposal, leasing and mortgage of real property, and l) convening of general meetings of shareholders, and in general the management and administration of all affairs without exception appertaining to the Company within the limits as prescribed by the General Meeting. A more definite method of procedure for the Board, the limits of their rights and obligations, shall be determined by rules and by-laws adopted by the General Meetings of stockholders.

§ 27. For the direct management of the business of the Company the Board may, with the sanction of the General Meeting of stockholders, elect from among their number or from persons not associated with the Company, one, two or more Managing Directors, fixing their remuneration at the discretion of the General Meeting. Each of the Managing Directors, should he be a Member of the Board, must deposit in addition to the 50 shares as provided for in § 22, at least a further 25 shares which are to be kept in custody in the manner stated in the said paragraph. The Board is to furnish the Managing Directors with instructions to be confirmable and changeable by the General Meeting. The Managing Directors are to convene meetings of the Board on all questions, which in accordance with their instructions they have not the right to decide. If the Managing Directors should not be appointed from among

the members of the Board, then their rights and duties, as likewise the number of shares deposited by them, are to be fixed by special agreements. Such Managing Directors are to attend meetings of the Board with the right merely of a consultative vote.

§ 28. The Board is to disburse money in accordance with estimates to be adopted annually by the General Meeting. The General Meeting has the right to fix the limit of the amount the Board may expend in excess of the estimates, in cases, not allowing for delay. They are to be responsible to the General Meeting for the urgency and necessity of this expenditure. Notice of all such expenditures must be submitted to the first General Meeting for consideration.

§ 29. Money received by the Board, not required for immediate expenditure, is to be deposited by the Board with one of the credit establishments in the name of the Company, and the receipt for such amounts, and in general all documents, are to be kept by the Board.

§ 30. All correspondence of the Company's business is to be conducted in the name of the Board over the signature of one of the Directors. Bills of Exchange, Powers of Attorney, contracts, agreements, Title Deeds and other documents, also demands for the return of the Company's money from credit institutions, must be signed by at least two Directors. Checks on current accounts to be signed by one Director, authorized thereto by a resolution of the Board. For the purpose of receiving money, parcels and documents from the post, the signature of one Director is sufficient, under the Company's seal.

In the event of alteration in the number of signatures on documents issued by the Board, and on demands for the return of the Company's cash from credit institutions, the Board, with the sanction of the Minister of Commerce and Industry, shall fix a date, from which the said instructions are to go into force, regarding which the Board is obliged to notify the credit institutions concerned.

All correspondence of the Company's business, all communications in regard thereto, and the bookkeeping, within the limits of the Russian Empire, are to be conducted in the Russian language.

§ 31. In cases of necessity in the business of the Company, the Board is granted the right to petition to Official Departments and to Officials, without special Powers of Attorney for this purpose; the Board is likewise allowed to empower one of the Directors or an outsider for this purpose; but in cases being heard in the Courts, Art. 27 of the Code of Civil Laws must be observed.

§ 32. The Board may empower each of the Managing Directors, by special Powers of Attorney, to act for them in all cases where the combined action of the Directors is necessary, with the exception of signatures on shares (§ 12); the Board to be responsible towards the Company for all action which may be taken in respect hereof by the Managing Directors.

§ 33. The Board is to meet as required at the invitation of the chairman, but in any case not less than once a month. In order that decisions of the Board should be valid, the presence of at least three Members of the Board is necessary. Minutes of the meetings of the Board are to be kept and are to be signed by all members present.

§ 34. Decisions of the Board are arrived at by a majority of votes, and when there should not be a majority, then the questions under dispute shall be decided at a General Meeting to which likewise shall be submitted all these questions, in connection with which the Board or the Audit Committee (§38) consider it necessary to act with the consent of the General Meeting of stockholders, or which, on the basis of this charter, and of the instructions confirmed by the General Meeting, are not subject to the decision of the Board.

If a Director, who has not agreed with the resolutions of the Board, demands that his dissent be entered in the Minutes, then he is not to be held responsible for the resolution so recorded.

At meetings of the Board, in the event of a division of votes, the Chairman or his Deputy is to have a deciding vote.

§ 35. Members of the Board are to fulfill their duties in accordance with the general Laws and Regulations, contained in this charter, and in the event of illegal actions, exceeding the limits of authority, neglect to comply with, or violating this charter, as well as of restrictions of the General Meeting of stockholders, they are to be responsible under the Law.

Members of the Board may be removed by resolution of the General Meeting of stockholders, before the expiration of their term of service.

ACCOUNTANCY OF THE COMPANY, DISTRIBUTION OF PROFITS AND PAYMENT OF DIVIDENDS

§ 36. The fiscal year of the Company is to be computed from the 1st of January to the 31st of December inclusive, with the exception of the first fiscal year, which is to commence from the day of the foundation of the Company to the 31st day of December following, if such period should comprise not less than six months, or else to the 31st of December of the year following. For each expired year the Board is to compile, for submission to the ordinary annual General Meeting (§ 45), a detailed report regarding the operations of the Company and a Balance Sheet of its operations, for examination and confirmation. Printed copies of the Report and Balance Sheets are to be issued by the Office of the Company, two weeks before the annual General Meeting, to all stockholders who desire to receive them. From this time likewise, the books of the Company, together with all accounts, documents and enclosures referring to the accounts and Balance Sheet are to be open for inspection by the stockholders during the office hours of the Company.

§ 37. The Balance Sheets shall clearly show the following chief items: a) The amount of the capital stock, indicating separately the Reserve Capital and the capital for amortisation of the cost of the property, whereas, the capital, in the form

of interest bearing bonds, must not be shown at prices higher than that at which such bonds were acquired; if, however, the market price at date of compiling the Balance Sheet should be lower than the purchase price, then the value of the bonds is to be given at the market price on the date on which the accounts were closed; b) the total income and expenditure; c) the amounts of salaries to clerks of the Company and other expenses of the Board; d) the value of the property and reserve funds of the Company; e) an account of debts due to the Company or payable by them; f) loss and profit accounts; g) net profits and the distribution of the latter.

§ 38. For the purpose of checking the accounts and balance sheet an Audit Committee is to be elected a year in advance, consisting of five stockholders, who are neither Members of the Board nor yet hold other positions filled by election of the General Meeting or by appointment of the Board of the Company. Persons, representing one-fifth of the total number of shares, held by stockholders or their proxies attending the General Meeting have the right of electing one Member of the Audit Committee, but these persons shall not participate in the election of the remaining Members of the Audit Committee. Members of the Board and the Managing Directors, upon retirement from their positions, may not be elected as Members of the Audit Committee within two years from date of retirement. The Audit Committee is permitted, with the consent of the General Meeting, to invite experts to assist them.

The Audit Committee is obliged, not later than one month prior to the General Meeting, to check up the cash and capital and to audit all books, accounts, documents and the general correspondence of the Company, insofar as they refer to the accounts and the Balance Sheet. On examination of the Report and Balance Sheet the Audit Committee shall submit its findings to the Board, which shall submit same with explanations of any suggestions made by the Audit Committee, to the General Meeting.

The Audit Committee may inspect and audit all the property of the Company on the spot, and also the expenses incurred.

To facilitate this, the Board is obliged to assist the Committee in every way. For preliminary inspection by the Audit Committee, there are likewise to be submitted the estimates and plan of operations for the forthcoming year which are to be put before the General Meeting of stockholders by the Board together with the suggestions of the Committee. Independently of this the Audit Committee has the right to demand from the Board, should it be considered necessary, that a Special Meeting of stockholders should be called (§ 45). The Audit Committee is to keep the Minutes of this Meeting containing an exact record of the proceedings and the expressed opinions of separate members. The said Minutes, as well as reports and resolutions of the Audit Committee, are to be submitted by the Board, with their explanations at the next General Meeting of stockholders for their consideration.

§ 39. The report and Balance Sheets, after confirmation of the same by the General Meeting, have to be presented in triplicate to the Ministers of Commerce and Industry, of the Interior, Ways of Communication, War, Finance. Independently of this, an extract from the report, compiled in accordance with Art. 522 of the Law on Direct Taxation (Code of Laws, Vol. V, 1914 edit.) and the Balance Sheet to be published for general information.

§ 40. In connection with the submission of the Accounts and Balance Sheets to the local Chamber of the Exchequer and the office of "Vestnik Finansov, Promyshlennosti i Torgovli" for publication of final balance and extracts from the report, the Board of the Company is to be guided by the Laws on Direct Taxation, being held responsible for the non-fulfillment of such regulations.

§ 41. Upon confirmation of the report by the General Meeting, out of the amount remaining after deduction of all expenses and losses and payment of interest and redemption of debentures, if there shall be any such amount, not less than 5% shall be added to the Reserve Capital (§ 42), and a fixed sum for the amortisation of the real and personal property of the Company

until the original cost of same will be fully paid up. The remaining amount, if it does not exceed 6% on capital stock, may be used for dividends. If, however, the sum will exceed the aforesaid 6% then from the surplus over and above the said 6%, 15% is set aside as compensation to the members of the Board and the remainder is to be distributed at the discretion of the stockholders at the General Meeting if the order of such distribution is not definitely fixed at the first General Meeting of the stockholders.

§ 42. The obligatory assignment to Reserve Capital is to continue until such time as the Reserve Capital be equal to one-third of the foundation capital. The obligatory assignment is to be renewed should the Reserve Capital be drawn upon in full or in part.

The Reserve Capital may only be invested in a manner as to guarantee the possibility of realizing the same without difficulty.

The reserve capital is intended without exception, for the covering of unforeseen expenses. The expenditure of the reserve capital for the latter purpose is permitted only by a resolution of the general meeting of stockholders.

§ 43. The date and place of payment of dividends is to be published by the Board for general information.

§ 44. The dividend on shares not claimed within 10 years, becomes the property of the Company, with the exception of those cases when the application of the Law of Limitation shall by Law be suspended; in such cases all such dividends are to be treated in accordance with legal decisions regarding the same or by order of the Orphan Courts. On all the above-mentioned sums, not drawn at due dates and remaining with the Company, interest is not payable.

The Board does not enter into investigations as to whether the coupons actually belong to the persons presenting them, except in cases when ordered by Court to stop payment on said coupons, or when a coupon presented is one of those regarding the loss of which a notice has been filed with the Company.

GENERAL MEETINGS OF STOCKHOLDERS

§ 45. The General Meetings of stockholders may be either regular or special.

Ordinary Meetings are called by the Board annually, not later than six months after the fiscal year, for the purpose of examining and confirming the Report and Balance Sheet for the past year, and estimates of expenses and plan of operations for the forthcoming year, and likewise for electing Members of the Board and of the Audit Committee. At such Meetings other business is likewise to be discussed and decided, which exceeds the authority of the Board, as also such questions as may be brought before the General Meeting by the Board.

Special Meetings are to be convened by the Board at their discretion or at the demand of stockholders, representing together not less than one-twentieth part of the Capital Stock, or at the demand of the Audit Committee. When a demand is made for a Meeting to be convened, the objects which the Meeting is to discuss must be accurately stated. Demands as to convening a Meeting are to be complied within a month from date of notification of such demand.

§ 46. The General Meeting in accordance with this Charter is to decide all questions referring to the business of the Company. The following come under the direct competence of the General Meeting: a) resolutions regarding the acquisition of real property by the Company, regarding the disposal, lease or mortgage of such property, belonging to the Company and also regarding the extension of the enterprise; the Meeting to determine the manner of covering the expenditure involved in the extension of the undertaking or the acquisition of real property; b) participation in similar enterprises (§2); c) the election and dismissal of Members of the Board and of the Audit and Liquidation Committees; d) confirmation of Managing Directors elected by the Board; e) confirmation and alteration of Instructions given to the Board and Managing Directors; f) examination and confirmation of the estimates of expenditure and plan of operation for the current year and the Report and

Balance Sheet for the past year; g) distribution of profits for the past year, and h) the decision of questions regarding alteration in the extent of the Capital Stock, expenditure of Reserve and Supplementary Capitals, alterations in the Statutes and liquidation of the business of the Company.

§ 47. Regarding the calling of General Meetings announcements are to be published in due course, and in any case, not later than 21 days prior to the date of such Meeting. In the notice the following is to be accurately set forth: a) the day and hour for which the General Meeting is called; b) where it is to take place, and c) a detailed enumeration of the questions to be discussed and decided at the Meeting. The Local Police Authorities are also to be informed regarding the Meeting.

The holders of registered shares are invited to the Meeting independently of the advertisements, by notices, to be sent by registered mail within the period fixed, to the addresses of the stockholders as entered in the books of the Company. Holders of shares to bearer are to be informed in the same manner, provided they should have notified the Board in due time regarding their wish to receive such notices at the addresses given by them.

§ 48. A sufficient number of copies of the Report of the Board on the questions to be discussed must be prepared and left available for inspection by the stockholders at least seven days prior to the General Meeting.

§ 49. Questions to be considered by the General Meeting are to be brought forward not otherwise than through the medium of the Board, therefore the stockholders desiring to make any proposals to the General Meeting must apply in writing to the Board regarding the same not later than two weeks prior to the General Meeting. If such proposal is made by stockholders possessing in the aggregate not less than ten votes, then the Board is obliged in any case, to submit the said proposal to the next General Meeting, together with their opinion.

§ 50. Each stockholder has the right to be present at the General Meeting and to participate in the discussion of questions submitted to the Meeting either personally or by proxy, in the latter

event the Board is to be notified in writing. Only stockholders may act as proxies and one person cannot hold more than two proxies. In resolutions of the General Meeting only these stockholders or their proxies are to participate who have the right of a vote. (§§ 51-53).

§ 51. Each share gives the right to a vote, but any one stockholder cannot have according to his shares a greater number of votes than would be accorded by ownership of one-tenth part of the Capital Stock of the Company.

§ 52. The owners of registered shares have the right to vote at General Meeting only in the event of their names having been entered in the books of the Company at least seven days prior to the General Meeting: to secure participation at the General Meeting submission of registered shares is not necessary.

Shares to bearer give the right of a vote provided they are submitted to the Board of the Company at least seven days prior to the General Meeting and are not returned before the conclusion of the Meeting. Instead of the original shares, certificates of acceptance of the shares for safekeeping or collateral, either by the State or else with credit institutions (local or provincial) acting in accordance with statutes confirmed by the Government, may be presented; as also by foreign credit institutions and Banking Houses which are chosen for this purpose by the General Meeting of stockholders and confirmed by the Ministry of Commerce and Industry in agreement with the Minister of Finance. In such certificates (receipts) the numbers of the shares are to be stated. Foreign Banking establishments, the certificates of which may be presented instead of the actual shares, must be named in the advertisements regarding the calling of General Meeting.

§ 53. Stockholders who are Members of the Board or Members of the Audit or Liquidation Committees have not the right of a vote (either personally or under proxies of other stockholders) when there arises the question of responsibility, relieving them of their posts, fixing their remuneration and confirming accounts signed by them, regarding the operations of the Com-

pany. In the event of a question arising regarding the entering into a contract by the Company with a person being a stockholder, this person has no right to a vote at the Meeting either personally or by proxies of other stockholders.

§ 54. If Shares should pass by inheritance, or in any other manner, to the joint ownership of several persons, then the right of participation and voting at the General Meeting is granted only to one person chosen by them. Government, public and private establishments, Companies and Societies have the right of participating and voting at General Meetings through their lawful representatives.

§ 55. A list of the stockholders, prepared by the Board, having the right to participate at Meetings, and stating the number of shares belonging to them, is to be displayed in the Office four days prior to the General Meeting. Copies of such lists are to be given to any stockholder on demand.

§ 56. Prior to the opening of the General Meeting the Audit Committee is to check the list of stockholders as compiled by the Board (§ 55), in the event of a demand being made by stockholders present at the Meeting, representing not less than one-twentieth part of the capital stock, the said list is to be checked at the Meeting itself by persons elected by the stockholders from among themselves, numbering not less than three, of which at least one person must be elected from among that group of stockholders, which demanded the verification of the list.

§ 57. The Meeting is opened by the Chairman of the Board, or by a person acting in his stead. The first Meeting is opened by one of the founders. Upon the Meeting being opened, the stockholders who have the right to vote, elect a Chairman from among themselves. The Chairman of a General Meeting has not the power in his discretion to postpone discussion and decision of questions submitted at the General Meeting.

§ 58. In order that the General Meeting should be valid it is necessary that stockholders or their proxies should be present

representing in the aggregate not less than one-fifth of the capital stock, while for the decision of questions regarding the increase or decrease of the capital stock, alteration of the Statutes and Liquidation of the business there shall be required the presence of stockholders, or of their proxies, representing not less than half the capital stock.

§ 59. Resolutions of the General Meeting assume full power when they are passed by a majority of three-quarters of the votes of the stockholders or their proxies, such votes to be in accordance with § 51; the election and retirement of the Members of the Board and of the Audit and Liquidation Committees, as also of the Chairman of the General Meeting is to be effected by the majority.

§ 60. If stockholders or their proxies present at the General Meeting should not represent that part of the capital stock which is necessary in order that the General Meeting should be acknowledged as having been legally constituted (§58), or if when deciding questions at the General Meeting there should not prove to be a majority of three-quarters of the votes, exclusive of those cases when only a simple majority is required (§ 59) then not later than within four days, with observance of the regulations set forth in § 47 for convening General Meetings, a second Meeting is to be called, which is to be fixed not earlier than 14 days after the publication of the notice. This Meeting is considered as being legal, and its decisions binding, irrespective of what proportion of the capital stock is represented hereat by the stockholders or their proxies, as to which fact the Board is obliged to apprise the stockholders in the notice of the Meeting. At such second Meeting only those questions can be discussed which were subject to discussion or remained undecided at the first General Meeting, and such questions are to be decided by a majority of votes.

§ 61. Stockholders, not agreeing with the majority, have the right to present a separate opinion regarding which mention is to be made in the Minutes of the General Meeting. Any stockholder who has expressed a dissenting opinion may, within a

term of 7 days from the date of the Meeting, present same for the purpose of putting it on the minutes.

§ 62. Votes are recorded at General Meetings by secret ballot if even only one stockholder, having the right to vote, should demand this. Secret ballot is obligatory for decisions regarding the election and removal of Members of the Board, of the Audit and Liquidation Committees of the Company and likewise for calling them to account.

§ 63. Decisions arrived at by a General Meeting are obligatory for all stockholders, both those present as well as those absent.

§ 64. In regard to questions, subject to discussion and decision of the General Meeting, detailed Minutes are to be kept. When recording the decisions of the Meeting mention is to be made as to the majority of votes by which the decision was passed, and likewise special opinions are to be mentioned. The Minutes are to be kept by a person invited by the Chairman of the Meeting from among the stockholders or else an outsider, the Chairman of the Meeting is to be responsible for the Minutes agreeing with the deliberations and decisions which transpired at the Meeting. The correctness of the Minutes is to be certified by the signatures of the Chairman of the Meeting and likewise by other stockholders, at their wish, numbering not less than three. Copies of the Minutes of the General Meeting and of the special opinions and in general of all attachments duly certified as correct copies by the Board, are to be given to each stockholder at his demand.

SETTLEMENT OF DISPUTES IN CONNECTION WITH THE BUSINESS OF THE COMPANY, ITS LIABILITY AND LIQUIDATION

§ 65. All disputes on the Company's business among stockholders and between the Members of the Board, also disputes between Members of the Board and other elected persons in the Company and disputes of the Company with other Companies, Firms and private persons are to be decided either

at a General Meeting of stockholders, should both disputing parties agree to this, or else are to be investigated in the usual legal manner.

§ 66. The liability of the Company is limited to the extent of the property owned by it, and therefore, in the event of the failure of the business of the Company, or in the event of claims being instituted against it, each of the stockholders is responsible only to the extent of his subscription which has already become the property of the Company and beyond this he cannot be subject either to any personal liability, or to any other additional payment on the Company's business.

§ 67. The duration of the life of the Company is not limited. The activity of the Company is terminated, according to the decision of the general meeting of the stockholders (besides those mentioned in § 20), in the following cases: 1) if according to the business interests, it will be found desirable to wind up the Company and 2) if according to the Balance Sheet there shall be found a loss of two-fifths of the capital stock and the stockholders will not make up the deficiency within one year from the day of the ratification by the general meeting of the Report in which said deficiency appeared.

If, after the loss of two-fifths of the capital stock has been ascertained, and the majority of the stockholders have expressed their willingness to replace it, a stockholder will fail to contribute his pro rata share within the prescribed time limit,—his shares will be declared void, which will be published for general information, and will be replaced by new shares similarly numbered, which will be offered for sale through a broker of a local or of the nearest Stock Exchange. From the money so realized, the incurred expense will be deducted as well as the pro rata amount necessary to cover the amount of shortage on the capital stock, and the balance, if any, will be returned to the former owner of the shares.

§ 68. In the event of the winding up of the Company, the General Meeting of stockholders shall elect from among themselves not less than three persons as Members of a Liquidation Committee, appoint its headquarters, with the sanction of the

Minister of Commerce and Industry and determine the manner of the Liquidation of the business of the Company. The location of the Liquidation Committee may be transferred by resolution of the General Meeting and with the confirmation of the Minister of Commerce and Industry. The Liquidation Committee, having taken over the business from the Board, by means of notices and announcements, shall convene the creditors of the Company, take steps to satisfy their claims in full, and in case of full payment to the State of all sums due from the Company, shall effect the liquidation of the property of the Company and shall enter into agreement and amicable settlement with third persons on the basis and within the limits as fixed by the General Meeting. Amounts due for satisfaction of creditors and also those necessary for securing the complete satisfaction of disputable claims, are to be deposited by the Liquidation Committee, for account of the creditors in the State Bank; until such time the satisfaction of the stockholders cannot be proceeded with in proportion to the funds at the disposal of the Company. The Liquidation Committee is to present reports regarding its actions at dates fixed by the Meeting and independently of this upon conclusion of the liquidation, it is to present a general report. If on conclusion of the Liquidation all the amounts due for payment should not have been paid to the proper parties owing to the persons to whom such payments are due not having applied, then the General Meeting shall decide as to the Institution in which the money is to be placed for safekeeping pending the time when same will be paid, and how it is to be disposed of after the lapse of the period of limitation in the event of the non-appearance of the owner.

§ 69. The Minister of Commerce and Industry and the Minister of the Interior, the Minister of War and the Minister of Ways of Communication, are to be notified, both as regards the commencement of the Liquidation as well as regarding its conclusions along with other necessary information. Proper announcements to the same effect are to be published for the information of the stockholders and all persons connected with the business of the Company.

§ 70. The rules and regulations of this Charter, referring to: location of the Board, number of Directors of the Board, the terms for which they are to be elected and their order of retirement (§§ 20, 21 and 23); number of shares to be deposited by Members of the Board and Managing Directors upon their taking up their posts (§§ 22 and 27); the manner of electing a Chairman of the Board (§ 24); the order of carrying on correspondence on the Company's business and signatures to documents issued by the Board (§ 30); the term of obligatory calling of Meetings of the Board (§ 33); the method of estimating the fiscal year (§36); the term of calling ordinary annual General Meetings (§ 45); the terms for submission of proposals of the stockholders to the Board (§ 49); and the number of shares giving the right to vote at the General Meeting (§ 51) may be altered by resolution of the General Meeting, with the sanction of the Minister of Commerce and Industry.

§ 71. In cases not foreseen by this Charter the Company is to be guided by the regulations in force for Joint Stock Companies, and also by the general laws, both those at present in force as well as those which may hereafter be enacted.

Signed: For the Minister of Commerce and Industry, Assistant
to the Minister — S. VESELAGO.

Confirmed: Director of the Department of Commerce,
V. SIBILEFF.

This copy was issued by the Department of Commerce, Division VI, with the proper signature and the official seal affixed, to the founders of the "Russian-American Commercial and Industrial Joint Stock Company 'Rato' " — PRINCE N. A. VOLKONSKI and A. W. BEHR. Stamp tax paid, Dec. 31, 1915.

For the Chief of the Division:

A. BOMANENKOV.

(Seal)

ms. 27242

**END OF
TITLE**